

destruction of its gold-foundation. The protective measure of advancing the bank rate of discount required to be applied, and upon British traders was imposed the grave impediment to enterprise which the necessity of borrowing and discounting at 7 per cent inflicts.

Thus do innocent nations suffer vicariously for the follies and sins of others. For—as the *Economist* newspaper (whose verdict was confirmed by eminent American authorities themselves) observed—this economic and financial crisis was essentially a moral one—not simply a result of mere recklessness and overtrading, but produced by the prevalence of a general and well-founded distrust in the methods and character of many of the commercial and financial magnates who had managed to attain to power, and dominated, for alien purposes, corporations, trust companies, and even banks, and diverted their operations from their professed and legitimate ends.